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NINTH PLENUM SPEECH OF HILARY MINC  
ON AN OUTLINE OF POLAND'S ECONOMIC POLICY

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The following report of Hilary Minc, Chairman of the State Economic Planning Commission, was given at the Ninth Plenum of the KC PZPR (Central Committee of the Polish United Workers' Party), held in Warsaw on 29-30 October 1953.

The report was given at the plenum as an amplification of the featured report of Premier Boleslaw Bierut, "Task of Party in Struggle to Raise Standard of Living of Workers in Current Phase of Building Socialism." An English-language translation of Bierut's report is available in the PAP (Polish Press Agency) release of 6 November 1953, pages 1-44.

In connection with Comrade Bierut's report, I should like to discuss the following six items:

1. The general direction of our economic policy in the villages.
2. The implementation of this policy.
3. Our investment policy.
4. The interdependence of heavy and light industry production, and some special tasks of light industry.
5. The problem of the standard of living, the task of raising it more rapidly, and the extent of the rise in the next 2 years.
6. Tasks of economic organization facing us prior to the party congress in January.

As for the first item, we all know that there has been a lack of balance between agriculture and industry with agriculture far in the background. This condition has been a great obstacle to raising the standard of living and to raising and further developing our whole economy. Therefore, the most important and immediate task is to speed up the development of agricultural production.

Agricultural production can be increased many ways. One way was the method advocated by the followers of Gomulka, the so-called "production for the sake of production" method. It permitted the kulak to prosper at the expense of the peasant. This method was rejected by the party. The danger still exists, however, that through kulak pressure and a false concept of increased production, there may be some relapses and conversions to this false method. Vigilance must be exercised against this danger. We must combat all relapses and conversions to "production for the sake of production," and we must combat the influence of all kulak forces, especially in relation to the present situation and the present tasks.

There was also another false, radical and leftist road. The advocates of this road, in one form or another, proclaimed that individual farms had no production reserves and therefore mass collectivization should take place immediately, or at least very quickly. In other words, the kulak class should be immediately, or very quickly, liquidated. This would mean collectivization by administrative decree, a repudiation of the voluntary acceptance principle. It would mean collectivization without political and economic organizational preparation.

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This road was typified by such slogans as "the worse, the better," which meant that the more the production of individual farmers worsened, the better it became for the development of producers cooperatives. This road was of course, fallacious as far as production was concerned. There can be no real production development through cooperatives created without the mass of small and medium peasants, and without changing the convictions of these peasants. This road would bring about ludicrous and lifeless cooperatives. It would result in lowered production not only in the cooperatives but throughout agriculture.

The most important effect of this road would be that it would lead to the destruction of the worker-peasant alliance and to the estrangement from the masses of the small and middle peasants. In spite of its "leftist" pretensions and hostility to the kulak, such a road would only strengthen the kulak.

The party denounced this false theory and continued to do so wherever it appears. The party's stand in the Gryfice affair and other party pronouncements are proof of this. This danger, however, still exists, and the party must be on guard against it and rightist, opportunistic dangers as well.

Between these two false roads is the true road of the party, the one to which the Comrade Bierut referred in his report. This is the road of the Bolshevik struggle on two fronts against rightist defeatism and threats and against leftist radicalism and discrimination.

In pointing out this road, the party states that there are production reserves in the individual farms. The small and medium peasant must be helped to develop his farm production. At the same time, the socialist sector and the producers cooperatives must be expanded and the state farms strengthened. The kulak must not be liquidated but limited, and the protection given the small and medium peasants must be increased to resist all kulak efforts.

Here at the ninth plenum, where an accounting is being made of all profits and losses, we can clearly state that the party has maintained the proper general policy line in the village. This is undoubtedly a gain, a gain for the good of the whole party which must be attributed to the collective direction of the Central Committee with Comrade Bierut at its head.

Besides the gains there were also losses, even serious losses, which must be discussed. We did not know how to concentrate on the practical application of this general party line. We did not know how to adequately make the party organizations aware of the decisions of the seventh plenum, nor were we able to practically and concretely implement the wise decisions of the seventh plenum to increase agricultural production, both on the individual farms and on those in the socialist sector.

There were, of course, objective reasons for this, such as the great effort in developing heavy industry and important political tasks. These objective reasons made more difficult the concentration of effort and resources on agriculture particularly the concentration of trained cadres and manpower, the numbers of which were limited.

However, we should undoubtedly have better results today in the production of farm machines. It is not normal that of the 6,000 engineers who work in the Ministry of the Engineering Industry only 72 work in agricultural machinery factories. More could have been spared for this work. The agricultural machinery factories should have had better laboratories and better measuring apparatus, and should have been better organized. Not only is the engineering industry guilty, but we are also guilty. We did not sufficiently concentrate our attention and efforts on this problem.

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Let us look at the problem of building materials allocation. These allocations are small but, as the comrades from Lodz and Poznan wojewodztwos pointed out, these allocations are stored in cooperatives while the requests of the peasants are ignored. Not enough attention was given to supplying villages with building materials by central and regional authorities and organizations.

The conclusions to be drawn from these gains and losses are contained in the pre-congress theses.

Our economic policy in the villages will be based on the following theses: We shall strengthen the state farms; we shall expand their mechanization, their housing, and farm building; and we shall strengthen their organization. This should result in the rapid increase in state farm production.

An expanded system of incentives is planned to develop production and strengthen the producers cooperatives. This system will consist of aid in the construction of storage facilities for socialist inventories, return of inventory contributions to the members of the cooperative during the same year they were contributed, introduction of delivery norms to encourage a material interest in increased production, and a radical improvement in the work of the state MTS, which service the cooperatives and thus affect the results of the cooperatives.

This should result in the strengthening of existing cooperatives and in a more rapid growth of producers cooperatives. In other words, the theses are based on the premise that the system of investments and incentives will effect a more rapid growth of the socialist sector in the village.

As for the individual farms, the plans promise reductions in compulsory deliveries, especially for the small peasant. The plans call for extensive contract deliveries, by increasing livestock breeding and developing production on the small and medium farms.

The plans promise an increase in credit to the small and medium peasant, so that he can buy livestock, construct farm buildings, and increase production. The plans foresee that, independent of the more rapid growth of the socialist sector, the production of the small and medium farms will increase within the private sector, while kulak production will suffer a relative though not necessarily absolute reduction.

This then should result in strengthening socialism and the class structure in the village.

As for the kulak, the theses clearly speak of a policy of limitation and not liquidation. There will probably be cases, as a result of this policy of limitation, where certain weaker kulak centers will fail economically, but this will only be a by-product of the process of limitation.

The limitation of the kulak is effected not only through taxes and compulsory deliveries, but also by curbing his ability to exploit and by giving state aid to the small peasant to make him independent of the kulak. This must be done through the practical implementation of the plans, so that the village MTS and our other organizations will be more able to help the poor peasants in making themselves independent of the kulak.

The aim of our economic policy in the village then, is to increase agricultural production in the next few years through the notable growth of the socialist sector in the village, through the economic strengthening of small and medium farms, through the relative decline of the kulak contribution to total production, and through the continued isolation of the kulak in the village.

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The second problem, that of the means of bringing about this economic policy in the village, is a difficult one. It is easier to propose leftist or rightist theories than to actually increase cooperatives to increase production of the small and medium farms, and to limit the kulak.

This policy is suited to the complicated chess game in our villages. The most important thing to learn is to avoid operating by one-track methods, to use not just a single means proposed in the thesis, but all the means and incentives proposed in them. You could extract from these theses only the parts on material aids and incentives, and overlook the parts on compulsory deliveries. This would be wrong and false. You could also extract only those parts which speak of aids to production, machines, fertilizers, and timber, and overlook what is written about disseminating agricultural knowledge and technology. This would be wrong.

You cannot direct agriculture without being familiar with the basic elements of the technology of agriculture, just as you cannot direct a specific branch of industry without a knowledge of its technology. Our comrades have learned to direct many industrial fields on the basis of knowledge of its technology. Now we must learn the technology of agriculture as soon as possible for the proper direction of agriculture. Of course, if we devote ourselves completely to technology of agriculture we shall become walking almanacs, and this again will be one-sided. The struggle for dissemination of agricultural knowledge and technology must be related to policy, to organization, to the isolation of the kulak through aid to the poor and medium farmer. All the means proposed in the theses must be used together.

We should consider one certain condition necessary for the success of this policy. A large sum of money will flow into the villages, 3 billion zlotys a year according to Comrade Bierut. If the peasant receives this money but not the goods in which he is interested, then the incentives proposed in the theses will be without value. This means that this additional money to be poured into the villages must be accompanied by an additional flood of desirable goods for the villages, especially fertilizers, machinery, building materials, household articles, wagons, harnesses, lubricants, and other similar items which the peasant needs.

This will be a difficult task, from the point of view of our productive and material capabilities and our organizational apparatus. This apparatus very often does not know how to fully meet the needs of the village. It often has a bureaucratic approach to percentage figures. Everyone has often experienced the inactivity and passivity of the apparatus in meeting the needs of the villages. This passivity must be broken. The organizational apparatus must be shown that its first concern must be for grain, since this year we are importing grain. After all, grain is the backbone of agriculture. Agriculture must be given the proper goods to increase commodity production and to assure the full effects of the promised material incentives.

Now for the third point in my discussion, the problem of our investment policy. Marx stated that there must be a specified amount of material, human, and financial resources earmarked for investments. They must be planned so as not to harm the already existing and operating branches of production.

Comrade Bierut has given the figures for investments and capital for specific years of the Six-Year Plan. The amount allotted for capital formation for 1951 was 28.1 percent of the national income. This was a great amount. This was necessary then because of the existing situation. It was necessary to develop a wide front of projects to fulfill the tasks of the Six-Year Plan on time. Then, as soon as the situation changed, as soon as several plants were built or were

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well under way, the capital formation was lowered from 28.1 percent to 25.1 percent of the national income in 1953. For 1955, 19.8 percent of the national income was assigned for capital formation. Now, relatively less can be expended for investments since an adequate base has been established, because several plants have been constructed, or because several are in the process of being built or near completion.

Still grave mistakes were made in our investment policy. The chief mistake was the inadequate appraisal of the existing productive capacity. We often constructed new plants, although relatively small expenditures in reconstruction of, or mechanization of, existing plants could have attained additional production.

With more experience and through the recognition of our mistakes, things have changed and are changing. For example, the action of the Ministry of the Chemical Industry in 1952 deserves recognition. It was allotted a new nitrogen fixation plant at Gniwosow during the Six-Year Plan. After a thorough appraisal of the situation it was determined that the desired production could be attained more quickly and cheaply by concentrating the outlays in the Kedzierzyn plants.

Now that we are faced with the problem of raising the standard of living, our obligations in relation to the analysis of all investment projects are especially great and responsible. We must not build when we can attain our goal without building or through the utilization of the existing productive capacity. Nothing must be built at great cost which can be built at low cost.

There will be a certain shift in investments. This shift consists of greater emphasis on agriculture, light industry, housing construction, and cultural and social institutions. Here exists a certain danger. Money and materials can be provided and yet work will not be done if the construction and investment organizations do not do their part. As an example, the construction of nurseries is falling behind this year. In agriculture, where money allotted for investment has not been spent, there has been a lack of adequate preparation and action. Thus if we plan a shift in investments, then we must prepare the construction and investment organizations in advance, so that there will be a productive force, an executive force, and an organizational force behind the money to fulfill these investments.

A shift in investments must be accompanied by a certain adjustment in the organizational apparatus. It must be indoctrinated with the conviction that investments in light industry, agricultural, housing, and social and cultural institutions are just as important as blast furnaces, open-hearth furnaces, steel mills, automobile factories, etc.

Now let us consider the fourth point in my discussion, that of the interdependence of developing light and heavy industry. We say that we can now develop light industry faster because we now have a base for it through the development of our heavy industry. This, of course, is not just theory but reality.

A considerable portion of our light industry, for example, uses imported raw materials. This year there can be some increase in these raw material imports through the decrease of so-called investment imports. This is possible because until recently we imported heavy-duty 3.5-ton trucks, but now we have our own, the "Star." The base for the automotive industry has been created, so that now we do not have to import this type truck and can actually export it.

Formerly we had to import medium-power tractors; now we do not have to import them. We have been buying ships from abroad, but now we shall buy less and export more. We also do not have to import a great number of machine tools, etc. This means that the creation of a heavy industry base has made it possible,

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and will continue to make it increasingly possible, to make more funds available for the import of raw materials for the production of consumer goods and for the import of finished consumer goods.

The interdependence between the development of heavy and light industry is very close. Let us take as an example thin sheet metal. We produce too little of this thin sheet metal, from which we make pots and various other market products. In connection with this relatively small production of this sheet metal, the needs of the people have not been fully met. Year by year we will produce more thin sheet metal and better satisfy the demands of the people.

Visualize the possibilities when the rolling mill for thin sheet metal is put into operation at Nowa Huta, a mill for which tremendous production is planned. Then we shall have more than enough of this sheet metal for all needs, including the production of articles of everyday use. For this reason, we must strive to put this mill in operation in 1955, as called for in the plan.

Let us take another example, that of aluminum pots. Comrade Mikoyan in his last report stated that increasing quantities of aluminum in the USSR are being assigned to the production of common consumer goods, including aluminum pots. If we wanted to allocate an equivalent amount of aluminum, per capita, we could not do it. This is because we have to import aluminum and do not have enough funds for greater imports of aluminum. Nevertheless, the needs of the population for aluminum products will be filled more and more every year. When our own aluminum plant in Skawina is put in operation in 1955, the needs of the national economy and the people will be more fully met. Thus, it is to our advantage to put the Skawina plant into operation as soon as possible.

One more example, and that is the call of Boleslaw Bierut for a Polish watch and a Polish camera. We have the base for this both in the field of optics and in precision mechanics. This base makes it possible to swiftly activate production of these common consumer articles.

It is obvious that for the rapid development of industries for common consumer goods it was necessary to create and develop a heavy industry base, which took time. It is also obvious, however, that there is much negligence in this field. For instance, if the Ministry of Metallurgy, which produces complicated equipment for open-hearth and blast furnaces and which has produced a cargo handling crane for the Bierut metallurgical plant, cannot produce single items such as pitchforks or needles, then it is plain negligence and a lack of concern for the needs of the people.

The problem of a rapid expansion and improvement of common consumer goods production will not solve itself. A drive and love for this task must be instilled in the people. We were able to inspire them to develop a heavy industry, and now we must inspire them in the production of good baked goods, good sausage, good-quality clothes, wristwatches, cameras, forks, and needles. We must inspire them. We have a tradition of good craftsmanship, trained workers, people with zeal, and people who are equal to this task. However we must change the work methods which still hamper so many of our institutions. We divide industry into heavy and light; however, a segment of the supply organization regards heavy industry as the one in which management is held more accountable, and light industry as the one in which management is held less accountable or not accountable at all. Therefore, it is necessary to teach the accountants, the supply clerks, and the whole organization that one is held equally accountable in heavy and in light industry for shortcomings and nonfulfillment.

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This does not mean that the development of light industry will result in the neglect of heavy industry. Our economic offensive is advancing on all fronts and our power has so developed that we can expand both in heavy and light industry. Our task is based on this.

The fifth problem, that of raising the standard of living, has not been fully met as foreseen in the Six-Year Plan. Nevertheless, the real per-capita income of nonagricultural workers in the first 6 months of 1953 is 15 percent over that of the first 6 months of 1949, and about 35 percent over that of 1938.

One of the factors in the increase of this real income was the rise in employment. There are increasingly more families in which more members are able to work because of the elimination of unemployment, thereby increasing the real income of the family. On the other hand, although the wages of workers in certain categories have not risen uniformly, we have achieved a certain degree of progress in raising the standard of living. This progress, however, is insufficient, primarily because of the rather weak tempo of agricultural development. This problem is discussed in the theses and this should be made known to the working class.

Our concern now is to hasten the rise in the standard of living through the support of agriculture, light industry, and housing construction, and to raise real wages in the next 2 years for both workers and peasants by about 15 percent. This is realistic and possible in the next 2 years.

This planned rise in the population's income must, however, be associated with an increase in marketed goods, that is, an increase in agricultural production and in industrial articles for general consumption.

Such an increase is foreseen by the theses. This increase, however, will not come by itself; it must be planned and implemented. And it can be said with certainty, that the more rapid the increase of industrial and agricultural production, the more rapid will be the rise in the standard of living of the working masses.

And finally we must discuss the tasks of economic organization facing us prior to the Congress. Obviously, there will be a great pre-congress campaign and a great mass-political and organizational effort. It would be a mistake to limit ourselves only to mass-political efforts between the plenum and the congress and pass up many concrete tasks of economic organization, with the thought that this can be postponed to the time of the congress.

In the few weeks left before the congress, we must complete a great task of economic organization. Particularly, we must reorganize the state farms and carry out all resolutions and actions on the increase of livestock breeding and seed development. We must reorganize the work of the state MTS and strengthen and reorganize the village MTS. We must also strengthen agricultural services.

We must at the same time concretely and in detail carry out the resolutions and proposals for increasing the production of common consumer goods and for the improvement of commerce and food services. However, this is not all. The theses spell out the party line. When the party line is defined then its realization depends upon the party cadres. That is why the first matter that faces the central and regional organizations is strengthening cadres in those fields which the party has ordered us to bring up to par. The cadres should be appropriately distributed. We must strengthen farm services; we must strengthen the personnel of commercial organizations; we must strengthen the cadres in the light industry, food industry, local industry, and in workers' cooperatives.

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